



## GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9967		
Country/Region:	Ethiopia		
Project Title:	Capacity-building program to comply with the Paris Agreement and implement its transparency requirements at the national level		
GEF Agency:	UNDP	GEF Agency Project ID:	6208 (UNDP)
Type of Trust Fund:	Capacity-building Initiative for Transparency	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CBIT-1;		
Anticipated Financing PPG:	\$50,000	Project Grant:	\$1,166,000
Co-financing:	\$192,000	Total Project Cost:	\$1,358,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dustin Schinn	Agency Contact Person:	Yamil Bonduki

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	DS, January 3, 2017: Yes. Project aligns with CBIT objectives.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	DS, January 3, 2017: Partly unclear. While the project overall aligns with Ethiopia's national strategies and plans, including its NDC, any potential capacity constraints identified in the most recent National Communication and	Ethiopia has so far not yet implemented a BUR, so capacity constraints on MRV/Transparency have been identified exclusively in the National Communications. The Second National Communication, which was submitted in May 2016, identified the following key

<sup>1</sup> For BD projects: has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track the project's contribution toward achieving the Aichi Target(s)?

## PIF Review

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		<p>as applicable in the BUR process to date, should be elaborated further.</p> <p>DS, March 15, 2018: Comment cleared.</p>	<p>gaps in Chapter 6:</p> <ul style="list-style-type: none"> <li>• The data generating, gathering, archiving, and analyzing capability of the country is still inadequate and should be enhanced</li> <li>• Relevant institutions such as the Ministry of Environment and Forest, the Ministry of Agriculture, the Ministry of Water, Irrigation and Energy, the National Meteorological Agency and the Central Statistical Agency, need to be strengthened in terms of manpower training and facilities</li> <li>• Skilled human resource development to handle climate change issues is a priority for Ethiopia. There is a need to develop and implement a training programme which contains both short-term and long-term training in among others GHG inventory, scenario development, mitigation analysis, V&amp;A assessment, policy analysis</li> <li>• Strengthening of the national focal institutions related to climate change.</li> </ul> <p>PIF has been modified accordingly on page 7</p> <p>A specific gap analysis for moving to the 2006 IPCC guidelines will be developed during the PPG phase.</p>

## PIF Review

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<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	DS, January 3, 2017: Yes.	
	4. Is the project designed with sound incremental reasoning?	<p>DS, January 3, 2017: Partly unclear. Please provide an overview of the current monitoring and evaluation system in place for climate change mitigation/adaptation in Ethiopia, including milestones achieved in strengthening this system to date. In addition, please provide an overview of any other bilateral or multilateral support initiatives that have been supporting, or are planning to support, Ethiopia's climate transparency system (ICAT, PATPA etc), including a description of the complementarity with the envisaged CBIT support.</p> <p>DS, March 15, 2018: Comment cleared.</p>	<p>The Government of Ethiopia has expounded an ambitious vision and strategy for a Climate Resilient Green Economy where it has prioritized major sectors that can contribute to green growth or which are vulnerable to climate change impacts and has established a national facility – the Climate Resilient Green Economy (CRGE) Facility. All climate action in Ethiopia is required to pass through such Facility.</p> <p>The CRGE Facility has two wings, the finance and the technical. Ministry of Finance and Economic Cooperation (MOFEC) is responsible to mobilize different climate finances and set reliable financial system and the Ministry of Environment, Forests and Climate change (MEFCC) provides technical coordination and oversight.</p> <p>The CRGE monitoring and evaluation has three levels:</p> <ol style="list-style-type: none"> <li>1. Assessment of the performance of the CRGE Facility</li> <li>2. Assessment of the performance of</li> </ol>

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

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			<p>actions and initiatives supported by the Facility, and</p> <p>3. MRV of emission reductions and vulnerability impact- however up to now only very limited capacities currently exist for doing so. GHG inventories elaborated in the two previous NCs were mostly developed by international capacities, which in turn have not allowed for the creation of significant local capacities in this area.</p> <p>Regarding the milestones achieved to strengthening climate action and work of the Facility, the Sectoral Reduction Mechanism (SRM) is the most important one, as it converts the CRGE vision and strategy to a more actionable programme at the key sector institutions (Transport, Energy, Urban development, Agriculture, Forest, water and industry). Specifically SRM sets to avoid a fragmented and project focused approach in implementing the CRGE by establishing the ground for the development of a more inclusive, programmatic and longer-term approach for the implementation of CRGE. There is also strong strategic focus with SRM interventions prioritizing actions that yield multiple benefits with relatively less investment.</p> <p>The Sectoral Reduction Mechanism has undergone several reviews and has been endorsed by Government as a framework</p>

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			<p>approach for CRGE implementation which will enable and support various sectoral and regional governments in developing their climate resilience and mitigation actions. It will also enable private sector, parastatals, micro green enterprises, community associations and NGOs to take concrete climate actions with finance provided by international and national private and public sources through the CRGE facility. This inter-sectoral institution is instrumental in reviewing and updating all mitigation and adaptation in the country.</p> <p>Still, as mentioned before, in relation to MRV and its related international commitments (two NCs have been submitted so far), work has so far mostly been led by international consultants and little local capacities have been created. Indeed as highlighted in the SNC there is an urgent need to improve local capacities so that in the medium term this area can be fully developed by national authorities and experts. In this sense, CBIT will be instrumental in improving this key aspect of MRV and engaging further this area into the work of CRGE.</p> <p>Regarding other initiatives supporting Ethiopia's transparency framework, see a list below:</p> <ul style="list-style-type: none"> <li>• PATPA is supporting the</li> </ul>

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			<p>Ethiopian government in converting its NDCs into actions by identifying the link between NAMA and NDC and on how NAMAs can be used as one of the tools in achieving the objectives of the NDC.</p> <ul style="list-style-type: none"> <li>GGGI will do a three days workshop in June 2018 on operationalizing MRV, but no further support is foreseen</li> </ul> <p>Ethiopia confirms that no further international support is being received on MRV. As per specific request, ICAT will not be implemented in the Country, as stated in ICAT webpage</p> <p>Through the CRGE and the leadership of competent authorities, coordination between work on MRV and NDC will be prioritized so that results in one area can support the other and viceversa.</p>
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>DS, January 3, 2017: Partly unclear. While the project components overall are sound and clear, some issues remain:</p> <p>(1) Output 1.2 is currently designed to culminate in a document as the main measure of this output. Please explain in how far the implementation of this document will be supported and ensured as well, given that CBIT support should yield measurable change in NDC tracking and</p>	<p>(1) This output will include not only the design of a strategic document on roles and tasks of key stakeholders - instrumental for operationalizing Ethiopia's enhanced transparency framework- but also the implementations of the recommendations there included through a Government directive/guideline. Its adoption and later compliance will be guaranteed by the Ministry of Environment, Forest and Climate Change, in charge of coordinating Climate Change in Ethiopia, which has also the mandate to</p>

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		<p>reporting, which goes beyond merely creating documents/guidelines.</p> <p>(2) Output 1.3 aims to establish and operationalize a functional GHG database and information system. This is an important aspect of this CBIT initiative and requires further information to be provided in the description, including for instance whether the system will be fully electronic, automated and accessible by all relevant ministries, and process data in real time. This way, the information from the GHG database can feed back into individual ministries' policy making efforts and potentially help inform policies across sectors.</p> <p>(3) Please also specify whether information on project implementation status and achievements will be shared with the CBIT Global Coordination Platform.</p> <p>(4) All outputs seem to include some kind of documents, one way or another, which goes against the general objective of CBIT to support long-term capacity building. Documents (including 'training packages') can be very helpful at times, however, CBIT support will</p>	<p>ensuring and enforcing obligations set by the government of Ethiopia, like the one aforementioned.</p> <p>This output will result in strengthening climate institutionality by significantly strengthening engagement from line ministries and key stakeholders into tracking climate action and reporting results.</p> <p>(2) a functional GHG database and information system will be built, hosted and operated by the Ministry of Environment, Forest and Climate Change. Such system, which will be fully electronic and automated, will facilitate enhanced exchanges among different data providers (line Ministries, private sector, districts and municipalities) and will be continuously updated with new data over each inventory cycle, with the expectations that through CBIT each new GHG inventory will be better than the previous one. All relevant stakeholders will be able to access such system virtually in order to check, review and improve data, as well as to revise calculations used for the elaboration of the inventory, thus creating an additional layer of quality assurance.</p> <p>The GHG database and information system will also facilitate the storage of key documentation and data, data sources, methods, assumptions used. The</p>

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		<p>also need to go beyond merely written outputs that will need to be updated over time. For instance, please consider and explain in how far the CBIT project will reduce reliance on international consultants for GHG monitoring and reporting, and NDC tracking more generally speaking. How does the CBIT support enhance domestic, in-house capacity in regard to climate transparency systems? For instance, has the project considered establishing a link with a national university, or other educational measures, to support the establishment of a national cadre of well-trained experts in GHG monitoring and evaluation? Or, would international consultants be paired with national consultants, where possible, to facilitate knowledge exchange and train national experts? Please consider revising the project approach to include more long-term oriented measures beyond document preparation.</p> <p>(5) In line with comment (4) above, the same is true for Output 2.3, where training packages seem to be a focus of CBIT support. Please clarify whether this will include actual training of national staff and experts in applying the most recent IPCC</p>	<p>establishment and operationalization of a functional GHG database and information system will then allow the Competent Authority to further engage other stakeholders in the MRV process thus strengthening Ethiopia's capacities to fulfil its enhanced transparency framework. PIF has been edited accordingly.</p> <p>(3) Yes information will be shared with the CBIT Global Coordination Platform. PIF edited accordingly on page 8.</p> <p>(4) Project approach has been revised by adding three new outputs which are expected to include more long-term measures to have in house capacities for developing nationally owned GHG inventories. Those new outputs (2.4, 2.5 and 2.6), which have been edited accordingly in the PIF, are:</p> <ul style="list-style-type: none"> <li>• Data collection widened and improved to sustain the use of the 2006 IPCC Guidelines</li> <li>• Training on the use of 2006 IPCC Guidelines at relevant Ministries and universities carried out</li> <li>• National universities engaged to support the Competent Authority in establishing QA/QC procedures and uncertainty analysis of the GHG inventory</li> </ul> <p>Due to this change, the project grant has been risen to USD 1,1660 from USD</p>

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		<p>guidelines, for example?</p> <p>(6) In regard to the section on risks, please consider including a risk category for 'data availability', with potential risk mitigation measures such as: (i) Build on the existing national data collection infrastructure; (ii) organize training for all relevant M&amp;E system users, including industrial data providers (iii) provide flexibility to expand participation of data providers in order to cover new MRV tasks, (iv) provide continued support in data generation and sharing using M&amp;E system, as appropriate.</p> <p>In regard to the current risk category of 'Unavailability of adequate number of qualified experts', please consider including risk mitigation measures that would seek to enhance long-term institutional or technical capacities at the national level, such as for instance: (i) identify and harness existing capacities and skill sets in order to strengthen participation of national experts; or (ii) in cases where international consultants would be recruited, they could be paired with local expert to facilitate knowledge transfers.</p>	<p>1,000,000 and the related budget distribution between outputs have been changed accordingly in the PIF. Further PPG funding will also partly be used to develop an assessment of gaps, constraints and needs to adopt the 2006 IPCC Guidelines for NGHGI as well as a prioritization of data improvements. Similarly, PPG request has been risen to USD 500.</p> <p>Through the combined implementation of those outputs, Ethiopia will have improved medium term capacities for implementing directly its GHG inventory in the framework of its future Third National Communication and First Biennial Update Reports, whose funding process will be started by June 2018. Additionally, by having a better understanding on the inventory process, Ethiopia will have the proper tools for tracking its NDC in the future.</p> <p>(5) Ethiopia in its last GHG inventory submitted in 2016 in the Second National Communication has used a methodological mixed approach, as it used the IPCC's 1996 Guidelines for National Greenhouse Gas Inventories, its Good Practice Guidance (GPG) for 2000 and 2003, and its 2006 guidelines. With the support of CBIT, Ethiopia is interested to move forward using only the</p>

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		DS, March 15, 2018: Comments cleared.	<p>IPCC 2006 guidelines in its future inventories.</p> <p>As per comment in the previous reply, the project approach has been modified and output 2.5 will focus on supporting national authorities and key stakeholders in using the most recent IPCC guidelines. After the implementation of those activities Ethiopia will also aim at increasing the number of national experts in the UNFCCC Roster of Experts. Output 2.3 will be aimed at creating capacities in a broad range of stakeholders on NDCs, NDC tracking, NC/BUR reporting obligations and the establishment of the enhanced transparency framework.</p> <p>(6) The PIF has been edited accordingly as per comments provided.</p>
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	<p>DS, January 3, 2017: Partly unclear. While socio-economic aspects have been considered in the project proposal, the CBIT project should also take into account the GEF Gender Equality Action Plan (GEAP) and specify as such in the gender section.</p> <p>DS, March 15, 2018: Comment cleared.</p>	<p>The PIF has been edited accordingly, also mentioning the GSP's document on Gender Responsive National Communications.</p>
<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		

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	<ul style="list-style-type: none"> <li>The STAR allocation?</li> </ul>	DS, January 3, 2017: The project seeks funding from the CBIT Trust Fund.	
	<ul style="list-style-type: none"> <li>The focal area allocation?</li> </ul>		
	<ul style="list-style-type: none"> <li>The LDCF under the principle of equitable access</li> </ul>		
	<ul style="list-style-type: none"> <li>The SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>Focal area set-aside?</li> </ul>		
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>DS, January 3, 2017: Not yet. Please address comments under Questions 2, 4, 5 and 6, and submit revised PIF along with responses to comments.</p> <p>DS, March 15, 2018: Comments cleared. Program Manager recommends PIF clearance and PPG.</p>	
<b>Review Date</b>	Review	January 03, 2018	
	Additional Review (as necessary)	March 15, 2018	
	Additional Review (as necessary)		

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>Project Design and Financing</b>	1. If there are any changes from that presented in the PIF, have justifications been provided?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		
	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		

<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

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<sup>3</sup> If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.